

1 NEAL S. SALISIAN, SBN 240277
neal.salisian@salisianlee.com
2 JARED T. DENSEN, SBN 325164
jared.densen@salisianlee.com
3 PATTY W. CHEN, SBN 322922
patty.chen@salisianlee.com
4 **SALISIAN | LEE LLP**
550 South Hope Street, Suite 750
5 Los Angeles, California 90071-2924
Telephone: (213) 622-9100
6 Facsimile: (800) 622-9145

7 MARISA D. POULOS (SBN 197904)
marisa.poulos@balboacapital.com
8 **BALBOA CAPITAL CORPORATION**
575 Anton Boulevard, 12th Floor
9 Costa Mesa, California 92626
Tel: (949) 399-6303

10 Attorneys for Plaintiff
11 **BALBOA CAPITAL CORPORATION**

12
13 THE UNITED STATES DISTRICT COURT
14 FOR THE CENTRAL DISTRICT OF CALIFORNIA

15
16 **BALBOA CAPITAL CORPORATION,**
a California corporation,

17 Plaintiff,

18 vs.

19 **PACIFIC LOGGING & PROCESSING**
20 **INC.,** a Washington profit corporation;
and **DARREN HALL,** an individual,

21 Defendants.
22
23

Case No.:

**PLAINTIFF BALBOA CAPITAL
CORPORATION'S COMPLAINT
FOR BREACH OF SETTLEMENT
AND RELEASE AGREEMENT**

1 Plaintiff Balboa Capital Corporation, a California corporation (“Balboa” or
2 “Plaintiff”), alleges as follows:

3 **PARTIES AND JURISDICTION**

4 1. Plaintiff Balboa Capital Corporation (“Balboa” or “Plaintiff”) is, and
5 at all times relevant to this action was, a California corporation with its principal
6 place of business in the State of California, County of Orange.

7 2. Defendant Pacific Logging & Processing Inc. (“Pacific Logging”) is,
8 and at all times relevant to this action was, a Washington profit corporation
9 incorporated in Washington and with its principal place of business in the County
10 of Lewis, State of Washington.

11 3. Defendant Darren Hall (“Hall”), an individual (collectively with
12 Pacific Logging, “Defendants”), is, and at all times relevant to this action was, a
13 resident of the County of Lewis, State of Washington, and was an officer,
14 shareholder, director, agent and/or owner of Defendant Pacific Logging. Based on
15 information and belief, including the Driver’s License submitted by Hall to Balboa,
16 Hall is domiciled in Centralia, Washington 98531.

17 4. Plaintiff is informed and believes, and thereon alleges, that each
18 Defendant, directly or indirectly, or through agents or other persons, was engaged
19 with some or all of the other Defendants in a joint enterprise for profit, and bore
20 such other relationships to some or all of the other Defendants so as to be liable for
21 their conduct with respect to the matters alleged below. Plaintiff is informed and
22 believes and thereon alleges that each Defendant acted pursuant to and within the
23 scope of the relationships alleged above, that each Defendant knew or should have
24 known about the foregoing, and that each Defendant authorized, ratified, adopted,
25 approved, controlled, and aided and abetted the conduct of all other Defendants.

26 5. The obligations sued upon herein are commercial in nature and the
27 Complaint herein is not subject to the provisions of California Civil Code Sections
28

1 1801, *et seq.* (Unruh Retail Installment Sales Act) and/or California Civil Code
2 Sections 2981, *et seq.* (Rees-Levering Motor Vehicle Sales and Finance Act).

3 6. Pursuant to the Settlement and Release Agreement described herein,
4 Defendants agreed that document would be governed by the laws of the State of
5 California. In addition, the Settlement and Release Agreement provides, in
6 pertinent part, as follows:

7 8.13 Choice of Law. This Agreement shall be governed by
8 the laws of the State of California. Each party submits to
9 the jurisdiction of California and agrees that the Courts of
10 Orange County, California and/or the United States District
11 Court for the Central District of California, Santa Ana
Division shall have exclusive and mandatory jurisdiction
over the determination of any and all disputes arising out
of or relating to this Agreement.

12 7. Jurisdiction. This Court has jurisdiction over the case pursuant to 28
13 U.S.C. § 1332(a).

14 8. Specifically, as described above, Balboa is a citizen of the State of
15 California; Pacific Logging is a citizen of the State of Washington; and Hall is
16 citizen of the State of Washington. As such, neither Pacific Logging nor Hall is a
17 citizen of California, and there exists complete diversity of citizenship between
18 Plaintiff and Defendants. Lastly, as alleged herein, the amount in controversy
19 exceeds \$75,000.

20 9. Venue. Venue is proper in this judicial district pursuant to 28 U.S.C. §
21 1391(b)(2) and in the Southern Division pursuant to 28 U.S.C. § 84(c)(3).

22 10. All officers of Balboa, including all witnesses, and all of Balboa's
23 documents are located in the State of California, County of Orange. The
24 transactions at issue in this Action occurred in the State of California, County of
25 Orange.

FIRST CAUSE OF ACTION

(Breach of Settlement and Release Agreement)

(Against each of the Defendants)

11. Balboa alleges and incorporates by reference each and every allegation contained above, inclusive, as though each were fully set forth here.

12. On or about May 16, 2022, Balboa and each of the Defendants executed a certain written Settlement and Release Agreement (the “SRA”). A true and correct copy of the SRA is attached as **Exhibit A** and is incorporated herein by reference.

13. Under the terms of the SRA, Defendants were to pay to Balboa three¹ different settlement payment amounts.

14. For the first of those, Defendants were obligated to pay Balboa the sum of Fifty-Nine Thousand Three Hundred Sixty-Two Dollars and Forty-Two Cents (\$59,362.42) (“Settlement Amount No. 1”) in full and complete settlement of all amounts then due and owing by Defendants for Equipment Financing Agreement No. 300259-001 (“EFA No. 1”). That was broken down to twenty-nine (29) monthly payments of \$2,046.98, beginning June 22, 2022 and continuing on the 22nd day of each and every month up to and including October 22, 2024.

15. The last payment received by Balboa for Settlement Amount No. 1 was credited toward the monthly payment due for May 22, 2024. Therefore, on or about June 22, 2024, Defendants breached the SRA by failing to make the monthly payment due on that date for Settlement Amount No. 1. Defendants’ failure to make timely payments is a default under the terms of the SRA.

16. For the second payment stream obligation, Defendants were to also pay to Balboa the sum of One Hundred Sixty-Three Thousand Twenty-Eight Dollars and Thirty-Two Cents (\$163,028.32) (“Settlement Amount No. 2”) in full and complete settlement of all amounts then due and owing for Equipment

¹ Only two are at issue here, as the third was fully paid by Defendants.

1 Financing Agreement No. 300259-002 (“EFA No. 2”). That was broken down to
2 fifty-two (52) monthly payments of \$3,135.16, beginning June 22, 2022 and
3 continuing on the 22nd day of each and every month up to and including September
4 22, 2026.

5 17. The last payment received by Balboa for Settlement Amount No. 2
6 was credited toward the monthly payment due for May 22, 2024. Therefore, on or
7 about June 22, 2024, Defendants breached the SRA by failing to make the monthly
8 payment due on that date for Settlement Amount No. 2. Defendants’ failure to
9 make timely payments is a default under the terms of the SRA.

10 18. In accordance with the SRA, and as a proximate result of Defendants’
11 default thereunder, Balboa declared the entire balance of all payments under the
12 SRA to be immediately due and payable to Balboa. Therefore, there became due
13 the sum of \$10,234.90 under Settlement Amount No. 1, and \$87,784.48 under
14 Settlement Amount No. 2, totaling \$98,019.38. These amounts are exclusive of
15 interest, attorneys’ fees and costs, no portion of which sum has been paid by
16 Defendants.

17 19. Following Defendants’ default, Defendants made one additional full
18 monthly payment for Settlement Amount No. 1 in the amount of \$2,046.98 credited
19 for June 22, 2024, and Defendants made one additional full monthly payment for
20 Settlement Amount No. 2 in the amount of \$3,135.16 credited for June 22, 2024.
21 Defendants have made no further payments. Thus, \$8,187.92 remains owed under
22 Settlement Amount No. 1, and \$84,649.32 remains owed under Settlement Amount
23 No. 2, for the sum of \$92,837.24 owed to Balboa.

24 20. In addition, the terms of the SRA provide that Defendants are liable to
25 Balboa for late charges on all payments not made in a timely manner. As of the
26 date of the filing of Balboa’s Complaint, late charges in the sum of \$376.22 are
27 now due and owing.
28

21. Balboa has performed all of the terms, conditions, and covenants required to be performed by it under the terms of the SRA, except as excused or prevented by the conduct of Defendants.

22. As a proximate result of Defendants' breach of the SRA, Balboa has been damaged in the total sum of **\$93,213.46**, plus prejudgment interest from June 22, 2024, until the entry of judgment herein.

23. Further, under the terms of the SRA, the non-prevailing party in any dispute, claim, arbitration, or litigation based upon, arising out of, or relating to the breach, enforcement, or interpretation of the SRA is to pay all costs, including reasonable attorneys' fees, incurred by the prevailing party. Therefore, Balboa requests the Court award Balboa its reasonable attorneys' fees and costs as against Defendants.

24. The SRA also provides Balboa the remedy of possession of the Collaterals, which are the subject of EFA No. 1 and EFA No. 2. Alternatively, if possession cannot be had, Balboa is entitled to recover the value of the Collaterals.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Balboa prays for judgment against Defendants, and each of them, as follows:

1. The sum \$93,213.46;
2. Prejudgment interest from June 22, 2024 to the date of entry of judgment;
3. Late charges and non-sufficient charges in an amount to be proven at trial;
4. An order to recover possession of the Collaterals which are the subject of EFA No. 1 and EFA No. 2, or if the Collaterals cannot be delivered, for their reasonable value according to proof;
5. Reasonable attorneys' fees and costs;
6. Costs of suit as provided by law; and

1 7. Such other and further relief that the Court considers proper.

2
3 DATED: September 25, 2024

SALISIAN | LEE LLP

4
5 By: 

6 Jared T. Densen

7 Neal S. Salisian

8 Patty W. Chen

9 Attorneys for Plaintiff

10 BALBOA CAPITAL CORPORATION